

Bath & North East Somerset Council

MEETING	Resources Policy Development & Scrutiny Panel	
MEETING DATE:	14th September 2016	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2881
TITLE:	Public Consultation of Preferred Local Council Tax Support Scheme	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Please list all the appendices here, clearly indicating any which are exempt and the reasons for exemption Background document Questionnaire		

1 THE ISSUE

- 1.1 The Authority is planning to implement a revised scheme for Local Council Tax Support for people of working age from April 2017. A public consultation of a preferred scheme is already underway and concludes in October 2016.

2 RECOMMENDATION

- 2.1 The Panel is asked to review and comment on the proposed scheme.
- 2.2 The Panel is asked to consider the responses to date.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 Cost of existing scheme is circa £4,000,000 in terms of reduced Council Tax payments – the reductions were previously known as Council Tax benefits. The administration costs of the (benefits or support) scheme are in the region of £320,000.
- 3.2 The proposed option does not aim to reduce the level of funding available to residents (through reduced council Tax bills). It is intended that some additional funds will instead of being paid as reduced bills will be better targeted to those with the greatest need through Local Welfare Support. Current modelling suggests that around £100,000 additional funds will be available.

3.3 The simplification of the scheme is intended to enable reduced administration costs and should deliver £70,000 of administration savings. The changes by being aligned with the government's new Universal Credit scheme will also help ensure future administration of the council Tax support scheme is more sustainable.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 The Council has a statutory requirement to set a Local Council Tax Support scheme for working-age customers and it must consult upon its preferred scheme each year.

4.2 An Equality Impact Assessment in relation to the preferred scheme has been carried out.

5 THE REPORT

5.1 Key elements of the proposed scheme are as follows

- (1) Existing claimants will remain on the old scheme until they move on to Universal Credit. Their eligibility will be based on entitlement to Universal Credit.
- (2) The amount of support available is determined by income bands with a maximum working age Council Tax discount of around 90%.
- (3) Disability Living Allowance and Personal Independence Payments are not counted as income; all other income is counted, including the housing element of Universal Credit.
- (4) A minimum income equal to the national living wage will be set for self-employed applicants declaring unrealistic earnings.
- (5) People with savings of over £6,000 won't be eligible for Council Tax Support in line with the lower capital limit of Universal Credit.
- (6) There will be no reduction in the overall amount available for support. Any savings achieved by changes in the level of support will be allocated to the Council's Welfare Support Team.

6 RATIONALE

6.1 There are a number of drivers for changing the current Local Council Tax Support scheme including:-

- (1) It has not been updated since it was introduced and has not kept pace with other welfare reforms.
- (2) The current scheme is costly to administer and difficult to understand.
- (3) We need a new scheme to align with Universal Credit.

7 OTHER OPTIONS CONSIDERED

7.1 The Council has considered a number of proposals for revised Council Tax Support schemes for people of working age, and has already sought views from key stakeholders around the principles of the scheme before deciding upon a preferred option to put forward for public consultation.

8 CONSULTATION

8.1 The consultation on the new scheme commenced on 8th August 2016 and will end on 16th October 2016. This was authorised by a single member decision. So far we have received 42 questionnaire responses from members of the public summarised below and a more detailed analysis will be provided at the Panel meeting

- (1) The public responded overwhelmingly that more help for those on low incomes and increased funding for Welfare Support were their most important principles and areas of the scheme they agreed with.
- (2) Over half agreed with an income banded scheme and that the maximum discount was set at the right level.
- (3) Nearly 60% also felt that the scheme would be simpler to understand and apply for.
- (4) 85% agree that DLA and PIP should be disregarded as income

8.2 A direct response was also received from the CAB supporting the increase in the maximum discount and commended the investment in the Welfare Support team valuing the excellent service they provide.

9 RISK MANAGEMENT

A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	Ian Savigar, 01225 477327
Background papers	<i>List here any background papers not included with this report, and where/how they are available for inspection.</i>
Please contact the report author if you need to access this report in an alternative format	